Appendix D Comparison of Hatfield TSLRIC Results

GTE of California, Inc.

Loop elements (1)	GTE Base Case (2)	Costs with All Input Prices Increased 10% (3)	Percent Change (4)	Total Cost of Network Elements (Base)
(1)	. (2)	(3)	(+)	(3)
NID	\$0.72	\$0.79	9.39%	4.34%
Loop Distribution (all)	\$5.94	\$6.51	9.45%	35.83%
Loop Concentration (all)	\$2.77	\$3.01	8.65%	16.71%
Loop Feeder (all)	\$3.21	\$3.51	9.50%	19.33%
Total Loop (all)	\$12.64	\$13.82	9.29%	76. 20 %
Total (w/ Public)	\$887,151,410.29	\$956,904,158.92	7.86%	
Total cost of switched network elements	\$16.59	\$17.87	7.73%	100.00%

Appendix E

Actual Versus Hatfield Comparison CONTEL/GTE of California, Inc. (\$ million)

Cost Category	Actual	Model	Model/Actual	
(1)	(2)	(3)	(4)	
			(3)/(2)	
Network Investment	7,699.8	3,254.5	42.3%	
General Support Investment	1,158.1	177.0	. 15.3%	
Total Investment	8,921.1	3,431.5	38.5%	
Network Expenses	272.1	104.6	38.4%	
Support Expenses	404.2	144.2	35. 7%	
Corporate Expenses	396.5	85.1	21.5%	
Total Expenses	1,072.8	333.8	31.1%	
Revenue	2,411.3	887.2	36.8%	

Actual Versus Hatfield Comparison GTE Telephone Operations, Texas (\$ million)

Cost Category	Actual	Model	Model/Actual	
(1)	(2)	(3)	(4)	
			(3)/(2)	
Network Investment	3,399.2	2,220.4	65.3%	
General Support Investment	561.7	131.5	23.4%	
Total Investment	3,976.3	2,351.9	59.1%	
Network Expenses	119.3	58.6	49.1%	
Support Expenses	171.1	72.2	42.2%	
Corporate Expenses	159.1	53.4	33.6%	
Total Expenses	449.6	184.2	41.0%	
Revenue	1,024.6	561.3	54.8%	

Appendix F

HM 3.0 and HM 2.2.2 Distribution Distances and Street Lengths within Selected California CBGs Contained Entirely within GTE Wire Centers (miles)

CBG	HM 3.0 Distance	HM 3.0 Cable Sums	HM 2.2.2 Distance	Length of Streets	Claritas Areas
(1)	(2)	(3)	(4)	(5)	(6)
60650444.027	17.05	32.04	3.97	36.24	20.20
60650438.064	19.94	45.45	3.71	54.86	17.65
60650438.061	13.27	27.23	3.16	15.20	12.79
60650438.063	25.21	84.53	2.97	74.41	11.27
60710109.007	20.30	31.53	0.96	34.38	2.35
60710110.002	11.54	16.52	0.95	24.95	2.29
60710110.001	16.70	26.74	0.89	34.73	2.04
60830017.023	28.47	92.86	0.86	12.87	i.88
60710109.001	16.58	26.95	0.83	31.77	1.76
60710109.006	17.03	26.76	0.78	25.68	1.55
60650443.001	13.14	26.61	0.96	11.69	1.19
60830017.012	13.62	42.09	0.68	10.99	1.17
60650442.001	17.80	31.76	0.87	12.60	0.97
60650443.002	12.54	29.37	0.82	7.55	0.87
60830016.013	15.53	28.03	0.55	9.03	0.77
60650442.002	11.80	22.32	0.70	11.90	0.63
60650441.003	12.59	22.71	0.63	7.83	0.51
60830017.021	5.21	16.69	0.43	6.07	0.48
60650441.005	10.87	20.35	0.61	9.9 5	0.48
60830016.011	6.99	10.81	0.42	4.53	0.46
60830016.012	11.13	25.26	0.42	6.66	0.45
60830016.026	7.60	30.86	0.35	2.80	0.32
60650438.069	2.83	3.53	0.38	3.21	0.18
60830016.022	4.19	10.13	0.25	3.03	0.16
60830016.023	4.19	6.45	0.25	2.73	0.16
60650441.004	3.38	8.63	0.35	3.77	0.16
60830016.027	4.02	9.70	0.24	3.70	0.15
60830016.025	4.59	11.47	0.22	3.53	0.12
60830016.021	3.05	7.56	0.21	2.91	0.11
Total,29CBGs	351.17	774.92	28.43	469.58	83.11
Total, All CBGs	52,190.71	129,294.60	2,955.34		
Ratio of Street Length	ns to HM 2.2.2 Distan	ce, Selected CBGs			16.5
Ratio of Street Length	is to HM 3.0 Distance	, Selected CBGs			1.3
Ratio of HM 3.0 Dista	ance to HM 2.2.2 Dist	ance, Selected CBGs			12.4
Ratio of HM 3.0 Dista	ance to HM 2.2.2 Dist	ance, All CBGs			17.7
Ratio of HM 3.0 Cable	e Sums to HM 2.2.2 I	Distance, Selected CBC	is		27.3
					43.7

Appendix G

Comparison of HM 3.0 and HM 2.2.2 Distribution Distance, Area, Density, and Distribution Cost and Investment for GTE California, GTE Texas and GTE Washington

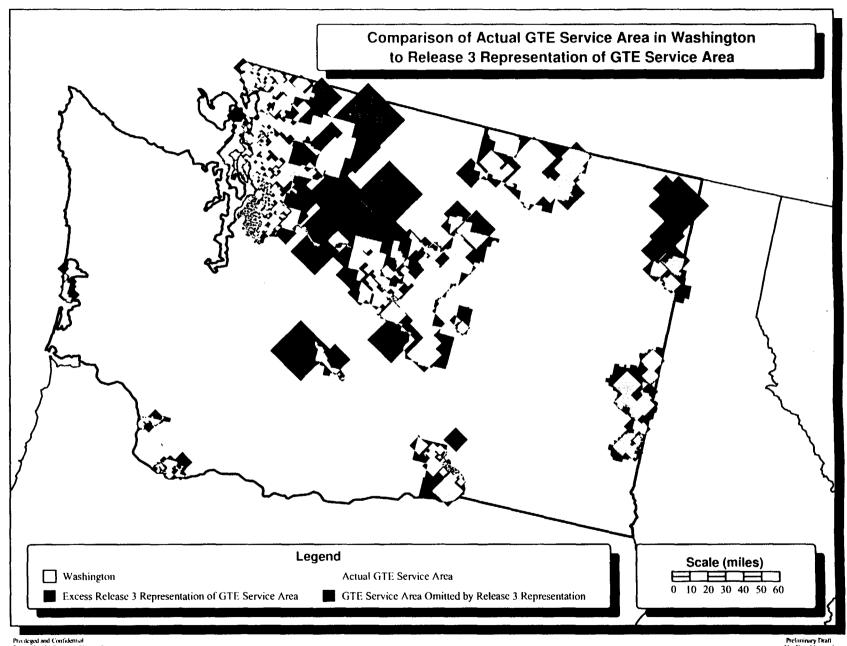
	Distance	(miles)	Area (sq	. miles)	Househo	lds (000)	Loop Dist		Total Dis	
State	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2
Total										
CA	52,190.71	2,955.34	55,461.67	27,036.29	3,657.69	2,358.98	\$307.51	\$309.95	\$1,166.10	\$1,158.01
W۸	15,054.60	1,377.90	18,562.39	16,161.36	519.68	503.74	\$68.94	\$81.50	\$274.29	\$316.18
TX	45,648.28	5,934.53	89,336.71	97,943.76	1,153.99	1,191.52	\$131.44	\$267.54	\$699.49	\$1,025.25
Average										
CA	11.30	0.71	12.01	6.45	4,307.05	1,931.01	0.0666	0.0740	0.2525	0.2763
W۸	14.67	1.33	18.09	15.55	1,578.40	915.17	0.0672	0.0784	0.2673	0.3043
TX	15.62	2.01	30.56	33.10	1,588.15	757.58	0.0450	0.0904	0.2393	0.3465
Ratio of I	HM 3.0 to HM	1 2.2.2, Total								
СЛ	17.66		2.05		1.55		0.99		1.01	
W۸	10.93		1.15		1.03		0.85		0.87	
TX	7.69		0.91		0.97		0.49		0.68	
Ratio of l	HM 3.0 to HM	1 2.2.2, Avera	ge							
CA	16.02		1.86		2.23		0.90		0.91	
WA	11.06		1.16		1.72		0.86		0.88	
TX	7.79		0.92		2.10		0.50		0.69	

# of CBGs										
СЛ	4,619	4,191	4,619	4,191	4,619	4,191	4,619	4,191	4,619	4,191
WΛ	1,026	1,039	1,026	1,039	1,026	1,039	1,026	1,039	1,026	1,039
TX	2,923	2,959	2,923	2,959	2,923	2,959	2,923	2,959	2,923	2,959

11M 3.0 CBG areas are larger than those provided by Claritas in 2,589 instances, and smaller in 2,029. However, among the "larger" HM 3.0 CBGs, the average difference is .70 miles, whereas among the "smaller" HM 3.0 CBGs, the average difference is .02 miles. Thus, while HM 3.0 areas are smaller than Claritas areas around 80% as often as they are larger, the average difference is 35 times greater in the former cases than in the latter.

HM 2.2.2 CBG areas are larger than those provided by Claritas in 3,202 instances, and smaller in 987. However, among the "larger" HM 2.2.2 CBGs, the average difference is 2.70 miles, whereas among the "smaller" HM 2.2.2 CBGs, the average difference is .003 miles. Thus, while HM 2.2.2 areas are smaller than Claritas areas around a third as often as they are larger, the average difference is 900 times greater in the former cases than in the latter.

APPENDIX H



Appendix I

The input changes are:

Switch real-time limit, BHCA	<u>Default</u>	20% Decrease	50% Decrease	90% Decrease
1-1,000	10,000	8,000	5,000	1,000
1,000-10,000	50,000	40,000	25,000	5,000
10,000-40,000	20,000	160,000	100,000	20,000
40,000 +	600,000	480,000	300,000	60,000

The Results are:

Results for all scenarios except 90% decrease are:

	Annual Cost	<u>Units</u>	Unit Cost
End Office Switching	\$22,574,200		
Port	\$6,772,260	726,227 Lines	0.78 per line / month
Usage	15,801,940	9,552,246,145 min.	\$0.0017 per min.

EO Switching Investment

<u>Total</u>

end office switching

\$61,556,956

Results for the 90% decrease scenario are:

Results for all scenarios except 90% decrease are:

	Annual Cost	<u>Units</u>	Unit Cost
End Office Switching	\$29,413,351		
Port	\$8,824,005	726,227 Lines	1.01 per line / month
Usage	20,589,346	9,552,246,145 min.	\$0.0022 per min.

EO Switching Investment

<u>Total</u>

end office switching

\$70,753,969

When real time BHCA are reduced by 90% the model yields only a marginal increase in switching costs.

Percent Change from default results for the 90% decrease scenario are:

	Annual Cost	<u>Units</u>	Unit Cost
End Office Switching	30.3%		
Port	30.3%	726,227 Lines	29.5% per line / month
Usage	30.3%	9,552,246,145 min.	29.4% per min.
EO Switching Investment	<u>Total</u>		
end office switching			

ATTACHMENT C

	POLES OWNED BY GTE AND JOINTLY USED	(3) POLES PARTIALLY OWNED BY GTE	POLES OWNED BY POWER COMPANY AND JOINTLY USED	PERCENTAGE OF JOINTLY USED POLES SOLELY OR PARTIALLY OWNED BY GTE	(9) PERCENTAGE OF JOINTLY USED POLES OWNED BY POWER UTILITY
ALL GTE REGIONS	467,188	578,376	3,032,640	25.6379%	74.3621%

To calculate the fraction of jointly used poles owned wholly or partly by GTE (the result is expressed as a percentage)

To calculate the fraction of jointly used poles owned by the power utility:

100% - (Column 8)

ATTACHMENT D

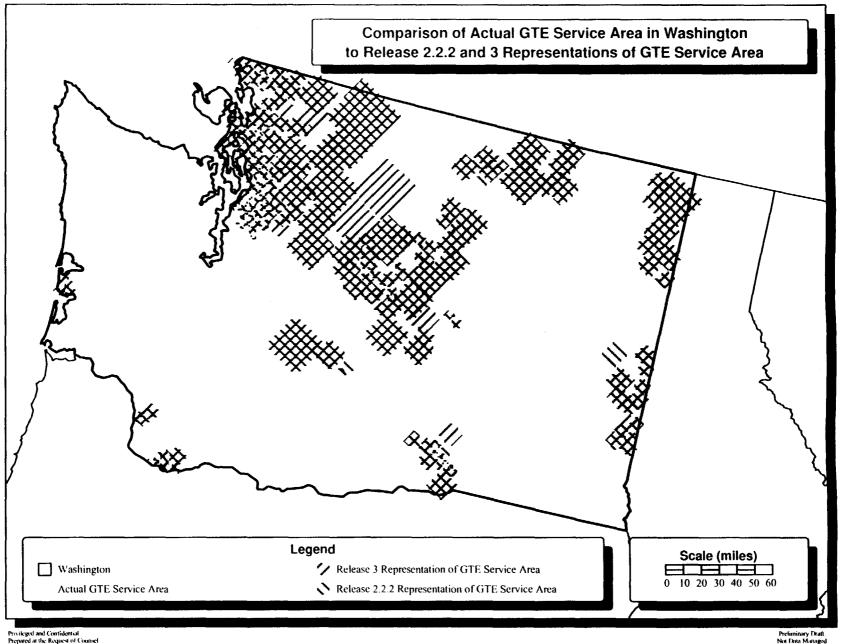
Comparison of Asset Lives Used for Depreciation Purposes

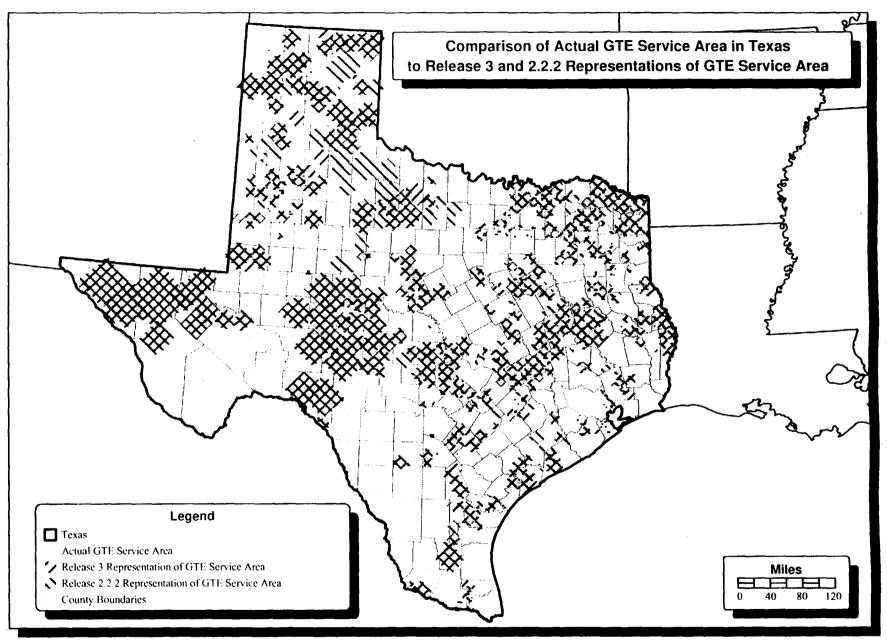
	BCPM	Hatfield 3	GTE	TFI
Depreciation Classes	Lives	Lives	Economic Lives	Economic Life Range
Land	00.00	00.00	0	
Motor Vehicle	06.19	09.16	8	
S P Vehicle	10.04		8	
Garage Work	12.10	11.47	10	
Other Work	13.8 1	13.22	10	
Building	42.61	48.99	30	
Furniture	16.09	16.56	10	
Office Support	11.08	11.25	10	
G P Computers	05.39	06.24	5	
Switching	09.80	16.54	10	9 - 11
Circuit/DLC	08.46	10.09	8	6 - 9
Pole	30.05	16.13	25	
Aerial Copper	12.49	16.80	15	14 -16
Aerial Fiber	18.92	22.11	20	15 - 20
Underground Copper	11.37	21.17	15	14 - 16
Underground Fiber	18.94	22.87	20	15 - 20
Buried Copper	14.10	19.86	15	14 - 16
Buried Fiber	18.94	24.13	20	15 - 20
Conduit	50.00	51.35	40	

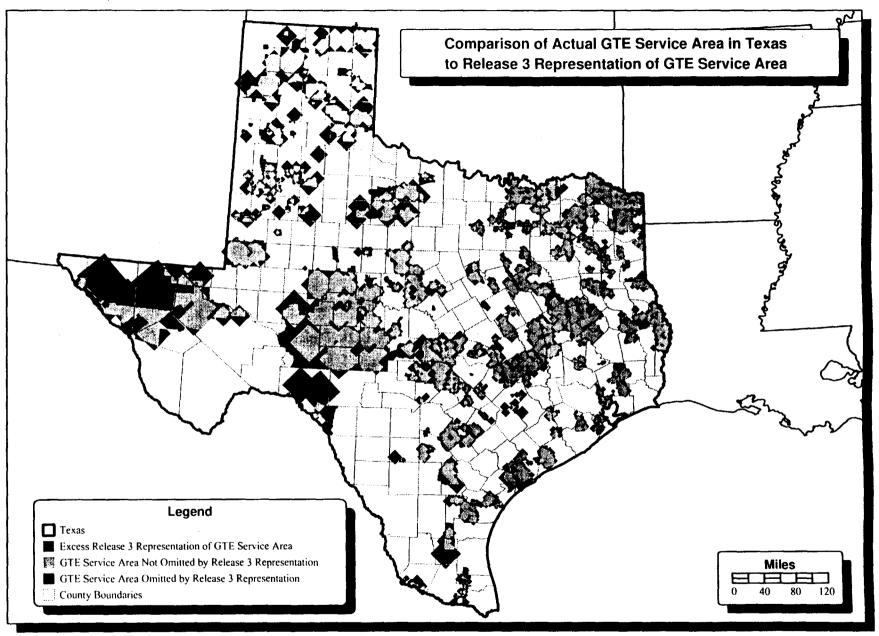
ATTACHMENT E

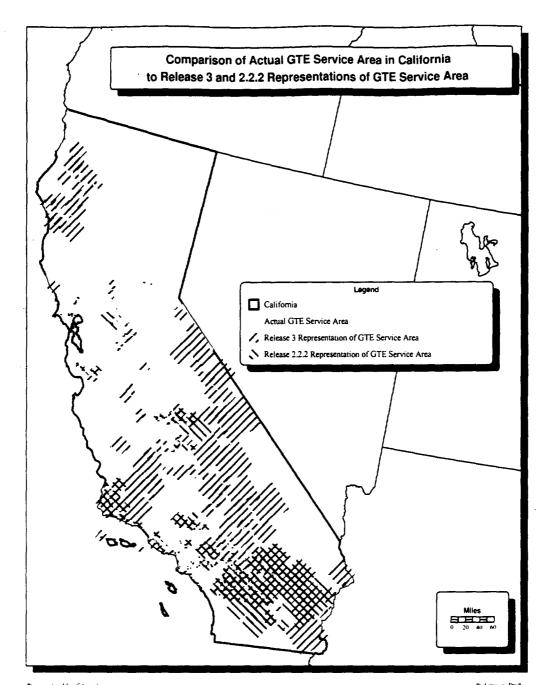
USOA Account	Common Costs Categories					
	I. CORPORATE OPERATIONS COSTS					
671X	Executive and Planning					
6711	Executive					
6712	Planning					
672X	General and Administrative					
6721	Accounting and Finance					
6722	External Relations					
6723	Human Resources					
6724	Information Management					
6725	Legal					
6726	Procurement					
6727	Research and Development					
6728	Other G & A					
	II. OTHER COMMON COSTS					
21XX	General Support Costs					
2112	Motor Vehicle					
2114	Special Purpose Vehicle					
2115	Garage Work Equipment					
2116	Other Work Equipment					
2121	Building + Land					
2122	Furniture					
2123	Office Support Equipment					
2123	Company Communications Equipment					
2124	General Purpose Computers					
ī	Plant Specific Operations					
611X	Network Support Expenses					
6112	Motor Vehicle Expense					
6115	Garage Work Equipment Expense					
61 16	Other Work Equipment					
612X	General Support Expenses					
6122	Furniture					
6123	Office Equipment					
6124	General Purpose Computers					
	Plant Non-Specific Operations					
6512	Provisioning Expense					
653X	Network Operations Expenses					
6532	Network Administration					
6533	Testing					
6534	Plant Operations Administration					
6535	Engineering					

ATTACHMENT F









Provinged and Confidential Prepared at the Request of Counsel

Not Data Managed

Certificate of Service

I, Ann D. Berkowitz, hereby certify that copies of the foregoing "GTE's Comments" have been mailed by first class United States mail, postage prepaid, on February 18, 1997 to all parties of record.

David Konuch*
Federal Communications Commission
1919 M Street, NW
Room 518
Washington, DC 20554

Richard Juhnke Sprint Corporation 1850 M Street, NW Suite 1100 Washington, DC 20036

Robert B. McKenna U S West, Inc. 1020 19th Street, NW Suite 700 Washington, DC 20036

James L. Wurtz Pacific Telesis Group 1275 Pennsylvania Avenue, NW Washington, DC 20004

Ann D. Berkowitz

*Hand Delivery

APPENDIX B

Comparison of Hatfield Model Release 3 and 2.2.2 Distribution Distances with Sums of Street Segment Lengths in Sample California CBGs

CBG 60650438.063

Distribution Distance

Release 3: 25.2 miles

Release 2.2.2: 3.0 miles

Sum of Street Segment Lengths

74.4 miles



CBG 60650443.002

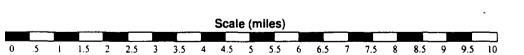
Distribution Distance

Release 3: 12.5 miles

Release 2.2.2: 0.8 miles

Sum of Street Segment Lengths

7.6 miles



Appendix C

Analysis of Hatfield CBG data

State	Hatfield	Hatfield	BCPM/	ВСРМ	%Difference	Actual Second	%Difference
	Household	Average CBG	1995Census	Average CBG	from Hatfield	Line Penetration	From Hatfield
	Counts	distance	Household	Distances	to 1995 Census		to BCPM CBG
			Counts		Households		Distances
CA	15,495,577	8,897	11,033,168	9,302	40.4%	17.1%	-4.4%
со	1,838,438	11,819	1,457,461	12,423	26.1%	14.7%	-4.9%
NJ	2,880,608	8,505	2,872,354	8,597	0.3%	32.1%	-1.1%
ОН	5,056,088	9,475	4,198,488	9,683	20.4%	7.1%	-2.2%
TX	6,658,049	12,049	6,684,245	12,357	-0.4%	8.8%	-2.5%
WA	2,278,001	11,439	2,089,800	12,027	9.0%	9.7%	-4.9%

Note:

- CBG distances are based upon weighted average of distance from CO to Centroid of CBG.

 The weighting factor used was Households
- The Second Line penetration was based upon 1995 Armis reported Residential lines divided by the 1995 Census Household counts.

Appendix D Comparison of Hatfield TSLRIC Results

GTE of California, Inc.

Loop elements (1)	GTE Base Case (2)	Costs with All Input Prices Increased 10% (3)	Percent Change (4)	Percent of Total Cost of Network Elements (Base) (5)
NID	\$0.72	\$0.79	9.39%	4.34%
Loop Distribution (all)	\$5.94	\$6.51	9.45%	35.83%
Loop Concentration (all)	\$2.77	\$3.01	8.65%	16.71%
Loop Feeder (all)	\$3.21	\$3.51	9.50%	19.33%
Total Loop (all)	\$12.64	\$13.82	9.29%	76.20%
Total (w/ Public)	\$887,151,410.29	\$956,904,158.92	7.86%	
Total cost of switched network elements	\$16.59	\$17.87	7.73%	100.00%

Appendix E

Actual Versus Hatfield Comparison CONTEL/GTE of California, Inc. (\$ million)

Cost Category	Actual	Model	Model/Actual	
(1)	(2)	(3)	(4)	
			(3)/(2)	
Network Investment	7,699.8	3,254.5	42.3%	
General Support Investment	1,158.1	177.0	15.3%	
Total Investment	8,921 . I	3,431.5	38.5%	
Network Expenses	272.1	104.6	38.4%	
Support Expenses	404.2	144.2	35.7%	
Corporate Expenses	396.5	85.1	21.5%	
Total Expenses	1,072.8	333.8	31.1%	
Revenue	2,411.3	887.2	36.8%	

Actual Versus Hatfield Comparison GTE Telephone Operations, Texas (\$ million)

Cost Category	Actual	Model	Model/Actual
(1)	(2)	(3)	(4)
			(3)/(2)
Network Investment	3,399.2	2,220.4	65.3%
General Support Investment	561.7	131.5	23.4%
Total Investment	3,976.3	2,351.9	59.1%
Network Expenses	119.3	58.6	49.1%
Support Expenses	171.1	72.2	42.2%
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Total Expenses	449.6	184.2	41.0%
Revenue	1,024.6	561.3	54.8%

Appendix F

HM 3.0 and HM 2.2.2 Distribution Distances and Street Lengths within Selected California CBGs Contained Entirely within GTE Wire Centers (miles)

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(1)	(2)	(3)	(4)	(5)	(6)	
60650444.027	17.05	32.04	3.97	36.24	20.20	
60650438.064	19.94	45.45	3.71	54.86	17.65	
60650438.061	13.27	27.23	3.16	15.20	12.79	
60650438.063	25.21	84.53	2.97	74.41	11.27	
60710109.007	20.30	31.53	0.96	34.38	2.35	
60710110.002	11.54	16.52	0.95	24.95	2.29	
60710110.001	16.70	26.74	0.89	34.73	2.04	
60830017.023	28.47	92.86	0.86	· 12.87	1.88	
60710109.001	16.58	26.95	0.83	31.77	1.76	
60710109.006	17.03	26.76	0.78	25.68	1.55	
60650443.001	13.14	26.61	0.96	11.69	1.19	
60830017.012	13.62	42.09	0.68	10.99	1.17	
60650442.001	17.80	31.76	0.87	12.60	0.97	
60650443.002	12.54	29.37	0.82	7.55	0.87	
60830016.013	15.53	28.03	0.55	9.03	0.77	
60650442.002	11.80	22.32	0.70	11.90	0.63	
60650441.003	12.59	22.71	0.63	7.83	0.51	
60830017.021	5.21	16.69	0.43	6.07	0.48	
60650441.005	10.87	20.35	0.61	9.95	0.48	
60830016.011	6.99	10.81	0.42	4.53	0.46	
60830016.012	11.13	25.26	0.42	6.66	0.45	
60830016.026	7.60	30.86	0.35	2.80	0.32	
60650438.069	2.83	3.53	0.38	3.21	0.18	
60830016.022	4.19	10.13	0.25	3.03	0.16	
60830016.023	4.19	6.45	0.25	2.73	0.16	
60650441.004	3.38	8.63	0.35	3.77	0.16	
60830016.027	4.02	9.70	0.24	3.70	0.15	
60830016.025	4.59	11.47	0.22	3.53	0.12	
60830016.021	3.05	7.56	0.21	2.91	0.11	
Total,29CBGs	351.17	774.92	28.43	469.58	83.11	
Total, AllCBGs	52,190.71	129,294.60	2,955.34			
_	hs to HM 2.2.2 Distan	•			16.5	
	hs to HM 3.0 Distance				1.3	
Ratio of HM 3.0 Dist	ance to HM 2.2.2 Dist	ance, Selected CBGs			12.4	
Ratio of HM 3.0 Dist	ance to HM 2.2.2 Dist	ance, All CBGs			17.7	
Ratio of HM 3.0 Cab	le Sums to HM 2.2.2 I	Distance, Selected CBC	is	•	27.3	
					43.7	

Appendix G

Comparison of HM 3.0 and HM 2.2.2 Distribution Distance, Area, Density, and Distribution Cost and Investment for GTE California, GTE Texas and GTE Washington

	Distance (miles)		Area (sq. miles)		Households (000)		Loop Distribution Annual Cost (\$mm)		Total Distribution Investment (\$mm)	
State	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2	HM 3.0	HM 2.2.2
Total										
CA	52,190.71	2,955.34	55,461.67	27,036.29	3,657.69	2,358.98	\$307.51	\$309.95	\$1,166.10	\$1,158.01
WA	15,054.60	1,377.90	18,562.39	16,161.36	519.68	503.74	\$68.94	\$81.50	\$274.29	\$316.18
TX	45,648.28	5,934.53	89,336.71	97,943.76	1,153.99	1,191.52	\$131.44	\$267.54	\$699.49	\$1,025.25
Average										
CA	11.30	0.71	12.01	6.45	4,307.05	1,931.01	0.0666	0.0740	0.2525	0.2763
W۸	14.67	1.33	18.09	15.55	1,578.40	915.17	0.0672	0.0784	0.2673	0.3043
TX	15.62	2.01	30.56	33.10	1,588.15	757.58	0.0450	0.0904	0.2393	0.3465
Ratio of I	HM 3.0 to HM	1 2.2.2, Total								
СЛ	17.66		2.05		1.55		0.99		1.01	
WA	10.93		1.15		1.03		0.85		0.87	
TX	7.69		0.91		0.97		0.49		0.68	
Ratio of I	HM 3.0 to HM	1 2.2.2, Averag	ge							
CA	16.02		∴ 1.86		2.23		0.90		0.91	
WA	11.06		1.16		1.72		0.86		0.88	
TX	7.79		0.92		2.10		0.50		0.69	

02/18/97

# of CBGs										
CA	4,619	4,191	4,619	4,191	4,619	4,191	4,619	4,191	4,619	4,191
W۸	1,026	1,039	1,026	1,039	1,026	1,039	1,026	1,039	1,026	1,039
TX	2,923	2,959	2,923	2,959	2,923	2,959	2,923	2,959	2,923	2,959

HM 3.0 CBG areas are larger than those provided by Claritas in 2,589 instances, and smaller in 2,029. However, among the "larger" HM 3.0 CBGs, the average difference is .70 miles, whereas among the "smaller" HM 3.0 CBGs, the average difference is .02 miles. Thus, while HM 3.0 areas are smaller than Claritas areas around 80% as often as they are larger, the average difference is 35 times greater in the former cases than in the latter.

HM 2.2.2 CBG areas are larger than those provided by Claritas in 3,202 instances, and smaller in 987. However, among the "larger" HM 2.2.2 CBGs, the average difference is 2.70 miles, whereas among the "smaller" HM 2.2.2 CBGs, the average difference is .003 miles. Thus, while HM 2.2.2 areas are smaller than Claritas areas around a third as often as they are larger, the average difference is 900 times greater in the former cases than in the latter.